Economy

Overview: The Former Yugoslav Republic of Macedonia, although the poorest republic in the former Yugoslav federation, can meet basic food and energy needs through its own agricultural and coal resources. Its economic decline will continue unless ties are reforged or enlarged with its neighbors Serbia and Montenegro, Albania, Greece, and Bulgaria. The economy depends on outside sources for all of its oil and gas and most of its modern machinery and parts. An important supplement of GDP is the remittances from thousands of Macedonians working in Germany and other West European nations. Continued political turmoil, both internally and in the region as a whole, prevents any swift readjustments of trade patterns and economic programs. The country's industrial output and GDP are expected to decline further in 1995. The Former Yugoslav Republic of Macedonia's geographical isolation, technological backwardness, and potential political instability place it far down the list of countries of interest to Western investors. Resolution of the dispute with Greece and an internal commitment to economic reform would encourage foreign investment over the long run. In the immediate future, the worst scenario for the economy would be the spread of fighting across its borders.

National product: GDP - purchasing power parity - $1.9 billion (1994 est.)

National product real growth rate: -15% (1994 est.)

National product per capita: $900 (1994 est.)

Inflation rate (consumer prices): 54% (1994)

Unemployment rate: 30% (1993 est.)

Budget:
revenues: $NA
expenditures: $NA, including capital expenditures of $NA

Exports: $1.06 billion (1993)
commodities: manufactured goods 40%, machinery and transport equipment 14%, miscellaneous manufactured articles 23%, raw materials 7.6%, food (rice) and live animals 5.7%, beverages and tobacco 4.5%, chemicals 4.7% (1990)
partners: principally Serbia and Montenegro and the other former Yugoslav republics, Germany, Greece, Albania

Imports: $1.2 billion (1993)
commodities: fuels and lubricants 19%, manufactured goods 18%, machinery and transport equipment 15%, food and live animals 14%, chemicals 11.4%, raw materials 10%, miscellaneous manufactured articles 8.0%, beverages and tobacco 3.5% (1990)
partners: other former Yugoslav republics, Greece, Albania, Germany, Bulgaria

External debt: $840 million (1992)

Industrial production: growth rate -14% (1993)

Electricity:
capacity: 1,600,000 kW
production: NA kWh
consumption per capita: NA kWh (1993)

Industries: low levels of technology predominate, such as, oil refining by distillation only; produces basic liquid fuels, coal, metallic chromium, lead, zinc, and ferronickel; light industry produces basic textiles, wood products, and tobacco

Agriculture: meets the basic needs for food; principal crops are rice, tobacco, wheat, corn, and millet; also grown are cotton, sesame, mulberry leaves, citrus fruit, and vegetables; agricultural production is highly labor intensive

Illicit drugs: limited illicit opium cultivation; transshipment point for Southwest Asian heroin

Economic aid:
recipient: US $10 million (for humanitarian and technical assistance)
EC promised a 100 ECU million economic aid package (1993)

Currency: the denar, which was adopted by the Macedonian legislature 26 April 1992, was initially issued in the form of a coupon pegged to the German mark; subsequently repegged to a basket of seven currencies

Exchange rates: denar per US$1 - 39 (November 1994), 865 (October 1992)

Fiscal year: calendar year